



marine
renewables
canada



Opportunities for Atlantic Canada Industrial Supply Chain in Brazilian & LATAM Offshore Wind Developments

February 2025

envigour

Envigour Policy Consulting

www.envigour.ca

Executive Summary

In much of the world, the value of land for renewables near highly populated coastal cities is driving attention to the sea. What they are finding are resources and opportunities measured in the thousands of GW. Some of this best resource lies within Latin America, where key countries are now getting ready to seize this opportunity.

It is against this backdrop that Marine Renewables Canada contracted Envigour Policy Consulting and its partners in the UK, Brazil, and other parts of LATAM to study offshore wind (OSW) supply chain opportunities for Canadian companies in the region. The Study has found a wealth of information on LATAM renewable energy, and its ambitions to grow into OSW. None of the jurisdictions in LATAM or the Caribbean have developed OSW projects. However, World Bank Reports show a growing need for clean energy combined with constraints on lower-cost resources (onshore wind, hydro and solar), make OSW an attractive option – particularly for OSW projects coming into commercial production by the mid-2030s and beyond.

It should be no surprise that two of the OSW leaders in LATAM are countries with strong experience in offshore petroleum. Both Brazil and Colombia have many years of experience installing and servicing industrial offshore energy infrastructure. They have expertise in building ships and navigating multiple ocean user environments. They are also roughly at the same stage. Colombia started a licence bidding process in late 2023 running into 2025 while Brazil has finalized legislation for their licencing regime in and is expected to launch a licencing round in late 2025 or early 2026.

For Canada, the parallels are obvious. Canada's OSW supply chain is also built upon offshore petroleum, ocean science and engineering, complemented by deep strengths in shipbuilding, environmental research and monitoring. Atlantic Canada's proximity to US OSW developments has also given us early experience in transshipments, geoscience and other early-stage technologies and services. Finally, to an uncanny degree, our policy and licencing regimes are almost fully in synch. Canada's licencing call for bids process is expected to play out in 2025 – the same as Brazil and Colombia.

The commonality of experience and timing sets the stage for a deeper examination of where we may have complementary capabilities: either by filling gaps in each other's supply chain or by strengthening existing players and helping to drive down costs to make OSW a lower-cost option. The commonality and potential complementarity become the foundation for a business case to explore opportunities for exports on both ends.

The Study results reported here show the most opportunities – first in Brazil because of resources, and second in Colombia because of advanced licencing – followed by assessments of OSW readiness in Uruguay, Chile, Costa Rica, and Mexico, and key jurisdictions in the Caribbean. The priority of reporting follows the magnitude of opportunity.

Brazil has more than 100 OSW projects filed for potential environmental assessment and eventual bidding. Many may fall by the wayside, but the investment interest is well-founded.

From a long-term perspective, a World Bank report produced by DNV sees cost-competitiveness and price stability, particularly projects delivered 15 to 25 years out. Fortunately for Brazil, the best wind resources are also located near the country's mega coastal cities in the south and the north.

Proximity to load centres means less stress on the national north-south grid and fewer transmission losses. As scale rises, technology breakthroughs emerge and costs come down, OSW is seen as a foundation for hydrogen. OSW also becomes a critical foundation for economic development and job creation.

For Brazil, and to a proportionate degree, elsewhere in LATAM, the future does seem bright. However, the consistent view of those interviewed for the Study is that LATAM OSW has a bright **long-term** future, just not tomorrow. Accordingly, most investors should consider it as a long-term commitment, not a short-term one.

The experts interviewed see current signs of investment interest as positive, but interest is tempered by barriers that will take time to overcome. Fortunately, a long lead time is what they also see as an advantage. Doing business in LATAM requires time to build relationships; entering the market at the beginning of a new industry requires patience but, they advise it is the only way to secure meaningful partnerships and new opportunities.

In the conduct of this Study, one of the key deliverables was to create an interactive Directory of supply chain businesses, organizations and key institutions in Brazil active or interested in OSW, using the same categories and classifications as used in MRC's supply chain database. The completed Directory also includes other Study Deliverables. It can be searched for Brazilian programs related to value chain development, financial resources and innovation.

The result is a useful tool for companies and organizations ready to explore trade relations with Brazil. A user searching the Directory can identify specific companies that may be partners or competitors. A search can be made by sector, capability or stage of project.

Geographical location can also be mapped. As a repository of trade and investment supports, it becomes a one-stop-shop for research. The Directory was a key part of a Webinar on the Study and was updated with Canadian company participants after the session.

The Directory output can be used to create a list of leads prior to as well as during a Trade Mission. The addition of Canadian companies and support programs using the same categories and fields of data can work the other way as well, becoming a resource to attract Brazilian investment to Canada. The new Directory enables companies, government economic agencies, and not-for-profit organizations to translate potential opportunities into actionable information.

The Study also looked at best practices and advice on navigating local customs, practices, laws and regulatory requirements. It found deep expertise in the Canadian Trade Commissioner Service and the trade promotion community. The Canada-Brazil Chamber of Commerce is a particularly rich resource for advice and contacts for professional advice tailored to the needs of the sector.

Finally, the Study and this Report conclude with a recommendation for a multi-year strategy of engagement through trade missions, webinars and further strategic marketing research. The advice received and conveyed back through this Report, is that a consistent presence is required. An exploratory mission that results in promising leads, needs to be pursued.

The report also advises working with MRC, ACOA and the Trade Commissioner Service to explore the value of making the Brazilian Database more user-friendly (becoming an online web-based tool) and examine the applicability as a model for other sectors and jurisdictions.

Also, the add-on review of the Caribbean has identified a handful of smaller prospective jurisdictions where the opportunity size is much lower, but work is advancing, Canadian trade-connections are strong, and in the case of Bermuda, proximity is also strong.

Finally, the Report notes the geopolitical circumstances that make Brazil a centre of attention in 2025. As COP30 comes to the City of Belém in Northern Brazil this fall, political direction in the United States is driving OSW investment away. In Brazil, they are hoping a committed Climate Change policy direction and leadership will drive that investment south.